

**ALFALFA ELECTRIC COOPERATIVE, INC.**  
**Cherokee, Oklahoma**

**POLICY NO. 508**

**LINE EXTENSION AND CONNECTION REQUIREMENTS**

**I. OBJECTIVE**

To establish a policy dealing with new construction and system improvements requested by the consumer.

**II. POLICY CONTENT**

To establish the framework and standards by which the Cooperative agrees to extend and/or modify its distribution facilities at the request of a consumer.

**III. PROVISIONS**

- A. Each consumer will pay the total estimated cost of construction as determined by one of the following methods. 1) An average cost history analysis for similar type construction. These cost histories will be formulated by the Cooperative on an annual basis. 2) Engineering estimate software which projects the actual current material and labor costs for the Cooperative.
- B. The consumer will have the choice of paying the estimated cost of construction as an up-front "Contribution" or committing to a monthly "Facilities Charge" to be added to the monthly bill for electric service and energy over a specified term. The Cooperative will screen all applicants desiring a monthly facilities charge based on established guidelines. The Cooperative reserves the right to deny the monthly facilities charge option to any consumer based on the current guidelines.
- C. The consumer has the choice of a zero (0), five (5) year, or ten (10) year term contractual agreement. All termed agreements will require a percentage contributions up-front as follows: Residential/Farm - 10% of the estimated construction cost, Business/Company/Commercial - 50% of the estimated construction cost. With the zero term agreement, a contribution equal to the total estimated cost of construction will be required.
- D. The monthly facilities charge will be calculated using the estimated cost of construction (less the applicable up front contribution), the term of agreement, and the Cooperative's current cost of money.
- E. The consumer shall agree to purchase all of their electric energy requirements from the Cooperative and/or whomever the Cooperative assigns throughout the term of the agreement.
- F. Regardless of the amount of "Contribution" paid by the consumer, the facilities will at all times remain the property of the Cooperative unless mutually agreed upon by the parties to the contract.

- G. All new consumers that agree to have the Cooperative extend electric facilities to their location and agree to purchase their energy from said Cooperative shall be entitled to a facilities rebate based on kWh usage at the specified new location. The rebate amount shall be based on the applicable rate schedule and the estimated kWh margin to the Cooperative. At no time shall said rebate exceed thirty-three percent (33%) of the estimated margin per kWh.
- H. If during the term of the original line extension agreement, a new consumer requests a new service to be attached to the original line extension, then the Cooperative will use the following guidelines. It shall be the responsibility of the original consumer that is currently under contract and paying facilities charges to request the following credit. The Cooperative will credit the account of the original consumer on a monthly basis in an amount not less than the minimum monthly bill by rate schedule or more than one-half of the original consumer's customer charge based on the location of the new consumer's point of connection for the remaining contract term of the original extension consumer.
- I. All electric wiring and equipment, except metering equipment, installed on the consumer's side of the point of delivery shall be at the consumer's expense and shall be installed and maintained by the consumer in accordance with the current Edition of the National Electrical Code and with all requirements prescribed by the Cooperative and governmental authority having jurisdiction thereof. In the event of a conflict between the National Electrical Code and an applicable municipal code, the latter shall govern. The Cooperative reserves the right to refuse to connect to any wiring or apparatus which does not meet these requirements and the Cooperative may without further notice discontinue service to any consumer when a defective condition of wiring or equipment upon the premises of the consumer results, or is likely to result, in interference with proper service.
- J. The Cooperative will not be responsible for any loss, injury or damage which may result from defects in electric wiring or equipment on the consumer's premises.
- K. The Cooperative may refuse to make a connection when it has information or cause to believe that any installations on the consumer's premises are unsafe.
- L. In the event a consumer shall add to the size of his electrical equipment, he shall notify the Cooperative so that its meter and other equipment may be enlarged sufficiently to care for the increased load. If the consumer fails to so notify the Cooperative, he will be held responsible for any damage to the meter or other equipment of the Cooperative caused by such increased load.
- M. The Cooperative shall furnish and install necessary equipment and service lines of proper voltage and adequate capacity to the point of delivery, for every bonafide applicant for service who has complied with requirements of this policy.

- N. Each consumer requesting service under this policy shall execute a right-of-way easement on the form prescribed by the Cooperative for electric facilities to be extended on their property. It shall be the ultimate responsibility of the consumer requesting service to be responsible for any fees associated with any right-of-way easements on other property owners that shall be affected by this line extension.
- O. All electric distribution line constructed by the Cooperative shall be built in accordance with the National Electric Safety Code (NESC) and using as a guideline the Rural Utility Services (RUS) standards.

IV. Responsibilities

The General Manager and the Manager of Engineering shall be responsible for the administration of this policy.

Attested: s/\_\_\_\_\_ Secretary, Dennis Ferrell

Previous Effective Date: August 31, 2010  
Revised Effective Date: May 28, 2013